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CONTENT MARKETING AND SUPPLIER SELECTION IN THE ELECTRONIC PAYMENT SERVICE INDUSTRY

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Content Marketing and Supplier Selection in the Electronic Payment Service Industry

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Abstract

Increasing e-commerce creates demand for electronic payment services to make online shopping as convenient as possible. Payment service providers (PSPs) publish whitepapers on their websites to provide information for e-commerce businesses in need of a PSP.

This study has two major purposes: (1) to determine the criteria for e-commerce business when selecting a payment service provider, and (2) to investigate the role of whitepapers in supplier selection in the electronic payment services industry.

The implementation of the thesis consisted of a content analysis on whitepapers written by European payment service providers and of a telephone survey interviewing domestic e-commerce businesses. Seven companies were selected for the survey and a total of ten whitepapers analyzed.

On the basis of the results of this research, it can be concluded that the dominant criterion when selecting a PSP is quality. Furthermore, quality was the most common topic in whitepapers. The results suggest that Solinor and other PSPs should focus on generating whitepapers that emphasize the quality of their services. In addition, it was discovered that the importance of whitepapers is at its peak when a potential customer, not contacted by salespeople of a PSP, is searching the internet for service providers.

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OPINNÄYTETYÖ

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Toimeksiantaja

Solinor Oy

Tiivistelmä

E-kaupan kasvun myötä myös kysyntä sähköisille maksupalveluille on kasvanut. Nämä palvelut tekevät ostoksien tekemisen verkosta mahdollisimman helpoksi.

Maksupalveluntarjoajat julkaisevat nettisivuillaan whitepapereita tavoitteenaan tarjota tietoa asiakkailleen jotka tarvitsevat sähköisiä maksuja prosessoivan palvelun verkkokaupalleen.

Tällä opinnäytetyöllä on kaksi tavoitetta: (1) määrittää verkkokauppojen kriteerit joilla palveluntarjoaja valitaan, sekä (2) tutkia whitepapereiden roolia palveluntarjoajan valinnassa sähköisten maksupalveluiden toimialalla.

Opinnäytetyön läpivienti koostui Eurooppalaisten maksupalveluntarjoajien whitepapereiden sisältöanalyysistä, sekä kotimaisten verkkokauppojen haastattelemisesta puhelimitse. Seitsemän yritystä valittiin kyselyyn, sekä kymmenen whitepaperia analysoitiin.

Tutkimuksen tuloksien perusteella voidaan tehdä johtopäätös, että dominoivin kriteeri palveluntarjoajan valinnassa oli laatu. Lisäksi laatu oli yleisin aihe whitepapereissa. Tulokset viittaavat siihen että maksupalveluntarjoajien tulisi tuottaa whitepapereita jotka painottavat tarjottujen palveluiden laatua. Tutkimuksen aikana havittiin myös, että whitepapereiden suurin hyöty on kun potentiaalinen asiakas, jota palveluntarjoaja ei ole vielä kontaktoinut, etsii tietoa palveluista internetistä.

Kieli

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Avainsanat

Maksupalveluntarjoaja, e-kauppa, sähköinen maksaminen, palveluntarjoajan valinta, whitepaper/tietopaketti.

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1 INTRODUCTION

1.1 Background

E-commerce has become familiar to all of us during the last decade. Most people have already made purchases over the internet. According to statistics Finland 72% of people in Finland aged 16-74 have been online shopping inside a year (2013). In addition, already 6-8% of all retail, and 20% of specialised trade is done over the internet. The number of web shops is estimated to be between 5,000 -7,000 in Finland (TNS-Gallup 2013). In the last four years overall e-commerce has grown 12% in Finland, and during just the past two years the consumer expenditure in e-commerce has risen from 8.9 billion euro to 9.65 billion euro (Figure 1).

Growing e-commerce creates demand for fast and secure payment services, since the easiness and security are vital for customer conversion and for the purchase process to take place. In order to make online shopping as easy as possible, payment service providers offer online merchants Payment Gateway (PG)-services. Payment Gateway is a web-based service that enables the possibility to have multiple payment methods without signing contracts with every bank or credit institution separately. Ranging from credit card payments to bank transfers and even virtual currencies, payment service providers and electronic payment gateways are evolving quickly.

This thesis was assigned by Solinor Oy. It is a small-size Finnish company specialising in B2B software development and electronic payment solutions on the domestic market. The company is currently estimating its potential for internationalization, and this study aims at mapping the current scene in the Payment Gateway industry in Europe

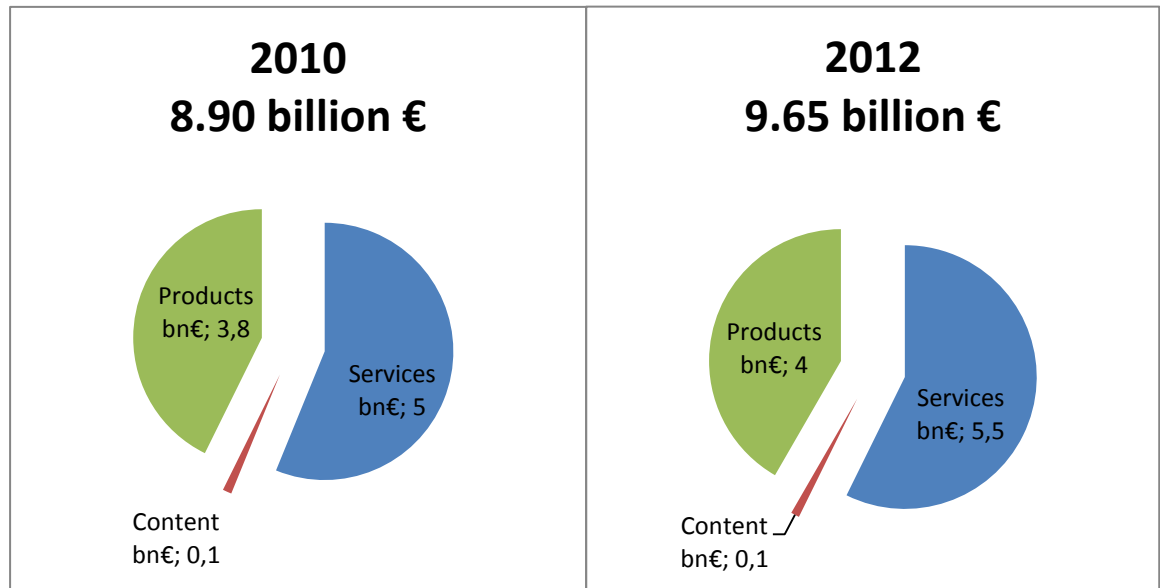


Figure 1. Total consumer expenditure in online purchases in Finland (Source: TNS 2013).

1.2 Aim of the research

The objective of this paper is to study the marketing communication activities of the leading payment gateway (PG) operators in Europe. In specific, the focus is on whitepapers that are used as a tool for content marketing and how companies use whitepapers to promote their services. That can be done by analysing words, themes and dispositions in the whitepapers. Another objective of this paper is to study how large organisations select their PSP. The selection criteria for PSPs are defined by a survey. By analysing the whitepapers and selection criteria it is possible to provide beneficial information for Solinor's content marketing strategy. With this information it will be easier for Solinor to benchmark and to design their marketing material and content in a way that acts in their favour in affecting the purchase decision of the merchant.

1.3 Research questions

The research questions for this research were formulated partly from the request of Solinor Oy and partly to explore the characteristics of whitepapers in the industry. The first question this research seeks to answer is: to which extent do whitepapers represent neutral expertise and promotion of a company's own services? The topic studies how strongly the whitepapers are marketing oriented and what is the content of promotional material in whitepapers. The content is determined by exploring the adjectives used to describe services discussed in the whitepapers and the topics, subjects and themes the whitepapers cover.

The second question is: What is the role of whitepapers in decision making when a business is selecting a PSP? The question explores the topics of whitepapers and the overall importance of whitepapers in the decision making process.

The third question is about the criteria which large organisations have when selecting a payment services provider. It could not be answered with the same methods as the other two. A telephone survey was conducted to determine the answer. The results of this question can be compared to the results of whitepaper analysis to study the role of whitepapers more closely.

1.4 Outline

The first section focuses on the current market setup of payment gateway service industry. Service description, competition and the case company Solinor are discussed. The second section explores the theories of decision making in service purchase context and the customer relationship cycle relevant for the marketing activities of services of this nature.

The third section describes the methodology of the research, how the material is collected and how it is analysed. The concept of whitepapers and the use of quantitative

and qualitative content analysis in the research are described. The fourth section presents the results of content analysis and survey.

Finally the results of the research are given and conclusions made.

2 PAYMENT GATEWAY INDUSTRY

This chapter explains the concept of Payment Gateways and discusses the current players of the PG-industry in Europe. Further on, the company Solinor and its PG-service (Payment Highway) are described.

2.1 Overview

The Payment Gateway system consists of cardholders (consumers), card associations (Visa, MasterCard, etc.), merchants, service providers (Solitor, Paytrail), controlling organisations and authorities and banks. The electronic payment industry is highly controlled by authorities and standards, such as the payment card industry security standards council (PCI-SSC) and European payments council (EPC). The EPC delivered the Single European Payments Area (SEPA), that made international debit and credit transfers much easier in the EU. The security standards council has issued the PCI-DSS data security standards, of which all services processing payment card data have to comply with. Merchants seek to offer the consumers the most convenient ways of payment that are often determined by the security of the payment method. Service providers have to offer fast and convenient payments between the merchant and consumer, without failing to meet the security standards.

The value of PG-industry is strongly connected to the value of e-commerce. In this particular industry there is derived demand that ultimately originates from the demand for e-commerce. The more money consumers and businesses use in online purchases, the larger amount of transaction fees is collected by PGs.

E-commerce is estimated to grow from 64.4 billion USD to 73.1 billion USD in Central-and Eastern Europe in the next two years (Figure 2). The size of the market for PGs is the combined value of B2C and B2B e-commerce transactions. The trend shows that the market is steadily growing.

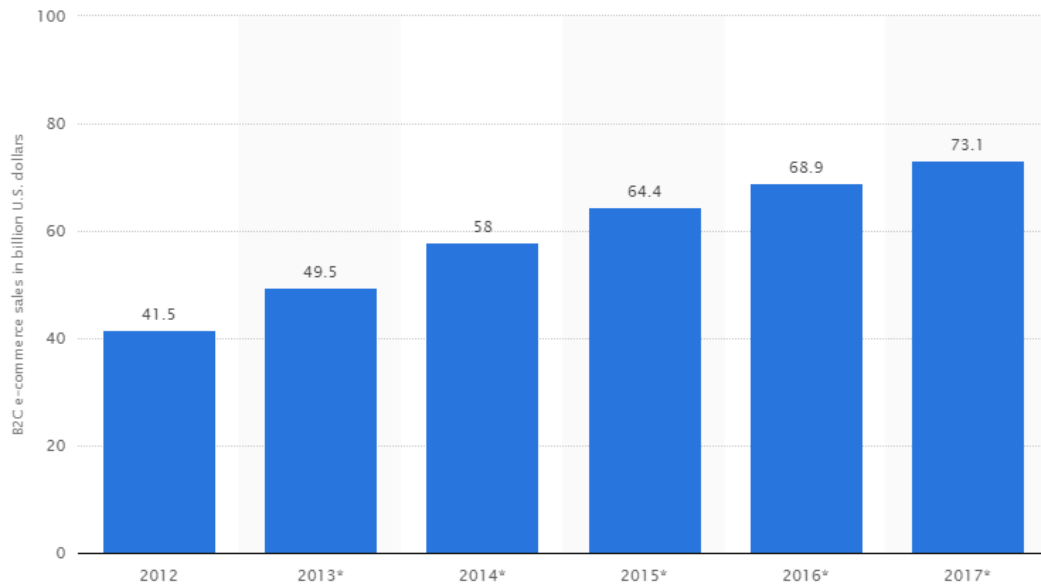


Figure 2. B2C e-commerce sales in Central and Eastern Europe from 2012 to 2017 (in billion U.S. dollars) (Statista.com 2014).

It is hard to list the number of payment gateway service providers in Europe. The market can be roughly divided into two groups: large multinational companies and small national service providers. The large companies usually offer a package solution and the smaller ones a more tailored service. Approximately 36 payment service providers compete in the market of European large and corporate customers and most of them offer PG-services. Hundreds more compete for smaller clients. In Finland there are more than 50 companies offering payment services, of which most are foreign companies. The number of service providers in Europe and Finland were retrieved from Aboutpayments.com(2014).

Payment Gateways receive credit card information and authorize payments often via a third party payment processor. They act as a virtual version of a point of sale terminal that can be found nowadays in most brick-and-mortar businesses. A typical authorisation and transaction process is shown in Figure 3.

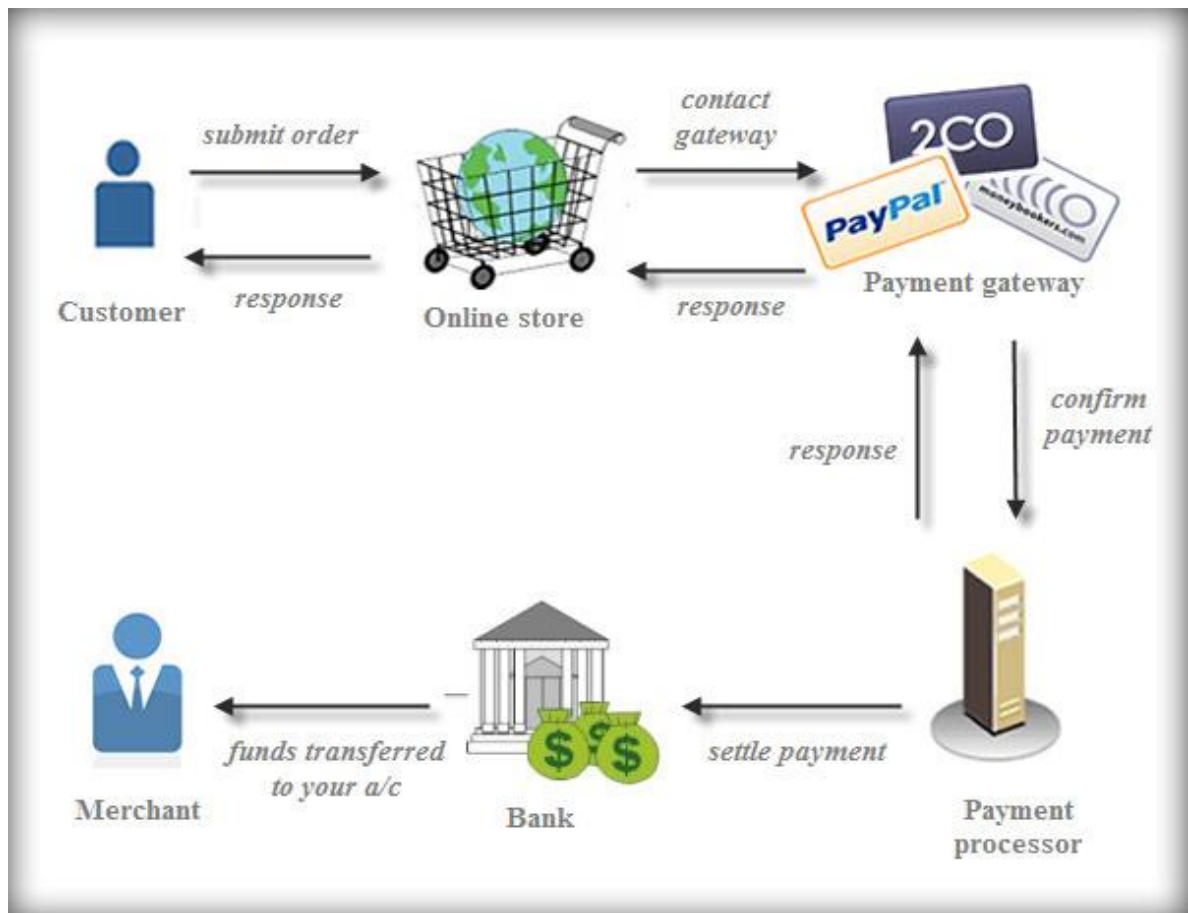


Figure 3. Payment transaction process (Source: instantshift.com 2012).

2.2 Solinor Oy

Solinor Oy is a Finnish company specialising in agile software development with a strong focus on electronic payment services back-, and front-end software development. It was founded in 2002 by a young coder and serial entrepreneur, Pekka Koskinen, with the purpose to serve only one customer: Nets Oy (former Luottokunta Oy). Solinor operated as a supplier of coding services for Nets until 2012, when Solinor started

expanding its customer base and invested in marketing and sales. The company employed 41 employees in the beginning of 2015.

The market for PG-services is growing. Solinor assigned this study to aid its operations targeting the market with SPH. The European Payment Gateways which operate in Finland and are direct competitors to Payment Highway, as verified by the head of payment services of Solinor Arno Hietanen (2014) are:

- 2Checkout
- Authorize.net
- Braintree
- Paytrail
- IATS Payments
- WorldPay
- PAYMILL.
- PayPal Express Checkout
- Quickpay
- Skrill (Moneybookers)
- Stripe

In addition to the mentioned competitors of SPH, the most significant competitors of Solinor currently are other PSPs in Finland, such as: Paytrail, Point and Checkout. The market share of Solinor is still relatively small but gaining ground.

2.3 Payment Highway

In 2013 Solinor developed the product/service Solinor Payment Highway (SPH). With SPH Solinor entered the Payment Gateway market. Payment Gateways authorize credit card payments and bank transfers for e-businesses. Payment highway integrates into the customer's web- or mobile service and receives payment card information. It records the information and transmits it forward in a cost effective way to the customer's bank enabling a fast and safe payment process that improves the customer's e-commerce's conversion rate and enables the buyer to approve payments from his/her previously given card with one step. Payment Highway is also able to receive customer loyalty data and offers the possibility to analyse customer transactions by recording payment data, customer data and product information. Versatility and cost effectiveness are the main strengths of SPH.

SPH is currently in use to process the customer loyalty points of PINS-system created by Coalition Rewards Ltd. and the customer loyalty points of Suomen Lähikauppa Oy. Customers that use Payment Highway and that categorize into the target segment are medium- to large-size businesses that operate e-commerce and receive transactions worth more than one million euro per month.

3 DECISION MAKING THEORY IN B2B CONTEXT

This section discusses the theoretical framework around the process of buying decision. To understand why the merchants select a certain PG-service provider we must understand the theory of decision making and apply it to a B2B-purchase context. Furthermore, when a merchant is making a decision involving high investment, the decision follows the principles of decision making theory. Also the phases of the relationship between service provider and consumer are described in order to point out how to target and time B2B PG-marketing.

3.1 Steps of decision making

There is a large variety of publications discussing the decision making theory, each from a different viewpoint. The process can be discussed in a context of consumer purchase decision-, general decision making-, or service buyer decision-process. However, the steps are very similar regardless of the context (Figure 4).

When customers are choosing a service provider, they are making a decision. There are five steps in the process of decision making that apply in all decisions from small decisions, such as deciding whether to go for a walk, to big decisions, such as which payment services provider to choose for a company.

The five steps of the general decision making process and the buyer decision process in the service purchasing context are compared in Figure 4.

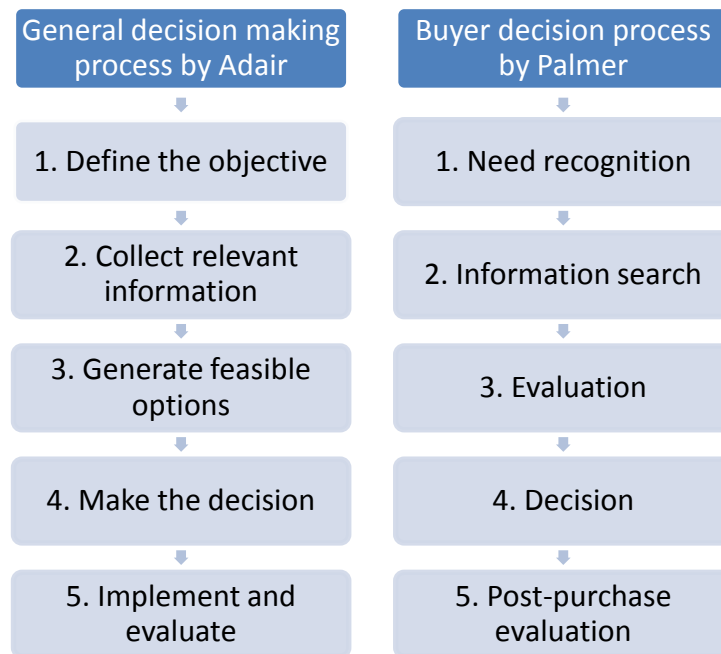


Figure 4. Decision making process comparison (Source: Adair 2010, 19; Palmer 2010, 194).

3.1.1 Problem recognition

So far the most comprehensive model to elucidate the buyer decision process in the B2B context is created by Kotler, Wong, Saunders and Armstrong (Figure 5). The Buying process is always triggered by something. In the case of a consumer, the need breeds for example from the need for self actualisation or safety. The needs of an individual can be partly applied to organisational buying. On one hand, organisational needs consist of formal needs of the organisation (production, development, operative or staff requirements), and on the other, of the needs of individuals who make up the organisation. The need can be triggered by external or internal stimuli. An external stimulus is for example when a buyer gets an idea from an advertisement. An internal stimulus is when e.g. the company decides to expand abroad and needs suppliers from the target country. In Solinor's case the need for the customer is a formal need triggered by internal stimuli. The need is for a payment gateway service to support the merchant's E-commerce. The demand for the service comes from the company's business development strategy.

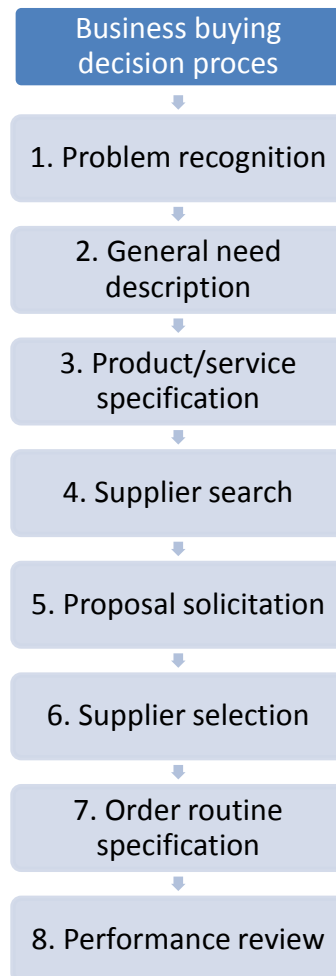


Figure 5. Business buying process (Source: Kotler, Wong, Saunders & Armstrong 2005).

3.1.2 General need description

In this stage the business describes the characteristics of the service/product it is planning to purchase. From the viewpoint of a merchant selecting a PG, the requirements for the PG are described. Different attributes (security, reliability, cost) are ranked in order of importance. The characteristics of the need may be defined with the help of consultants, software engineers, coders and other kinds of experts. In this stage an alerted salesperson can help the organisation define the need.

3.1.3 Product/service specification

The business now develops the product's technical specifications and in service cases, the minimum viable product. A value analysis team decides on the best characteristics for the service. In the phase of service specification it is important to understand how the customer seeks the information about the services that are able to satisfy the need. The more important the decision, the more information is sought. This is the case in PG-industry. Merchants have to be confident with the decision that the service provider can meet the security and functional expectations. The most common sources of information are personal experience, word-of-mouth, reviews by magazines or websites, advertisements and promotion in all its forms. The last mentioned includes whitepapers.

3.1.4 Supplier search

In this stage, some alternatives may have been discarded already due to a lack of information and awareness about the alternative. The buyer creates a shortlist of alternatives to be evaluated in detail. In B2B cases the alternatives are evaluated very rationally. In the PG-industry cost is usually the most important factor in evaluating the alternatives. Nowadays, the most common method of supplier search is internet search. In order to market services successfully it is important to have a comprehensive online visibility. Salespeople of companies such as Solinor are constantly looking for companies in the process of supplier search since they are the most potential customers.

3.1.5 Proposal solicitation

During this stage the buyer sends out a request for proposals (RFP) to potential suppliers. Suppliers now compete in order to create the most feasible written proposal. Proposals are marketing documents describing how they can fill the need and create most value for the buyer.

3.1.6 Supplier selection

A shortlist of the best proposals is made according to desired supplier attributes. After the customer has determined which of the proposals suites its need the best they are ready to make the actual decision and sign a contract.

3.1.7 Order-routine Specification

Specifications of the contract are determined. The buyer and supplier agree on technical specifications, delivery date, compensation policies, long term relationship, etc.

3.1.8 Performance review

Especially in a PSP or PG-industry it is vital to see to the customers' satisfaction even after the service has been implemented to ensure customer retention. Most times the service is not profitable until after a certain amount of time. The goal is to preserve the customers acquired as long as possible. In addition, in the software development industry, customer loyalty is very high. They are most likely to order services from a supplier that has proven to be trustworthy in the past. (Kotler et al. 2005.)

3.2 Organisational decision making

The business buying decision process is far more complex than the decision process of an individual. When an organisation is making a purchase decision it is more objective compared to a consumer. The most significant differences between a consumer decision process and organisational decision process are as follows (Palmer 2010, 209):

- Organisational purchase decisions are affected by goals set for the purchase and by organisational goals.
- When purchasing for an organisation, individuals tend to be more risk averse since their professional reputation may be at stake.
- The purchase may require approval from multiple levels of management before a final decision. Especially in high-value service purchases as with SPH it is vital to identify the manager who holds the final decision making power. (Roles in the decision making process are discussed more in the next paragraph.)
- High-value service purchases may require formal bidding and evaluation steps.
- The organisational purchase process takes a longer time due to more people being involved.
- In some markets a long relationship between the service supplier and customer is required to build necessary trust.
- Organisational buyers prefer reliability and performance over price. Poor performance may have direct financial consequences for the customer, as is the case in payment gateway industry.
- Organisations seek a long lasting buyer-seller relationships that develops over time

The customers of Solinor are facing what is called 'systems buying' purchasing. This means that they are purchasing the whole service from a sole provider and not assembling the service using multiple providers.

3.3 Decision making unit

Purchase decisions are rarely done in isolation of other people's influence. There are many roles in the organisational purchase process: user, purchaser, decider, influencer and initiator. When creating the marketing mix for a product/service one has to consider which roles are the key players to be influenced in order to close a deal (Sherlekar, Prasad & Victor 2010, 155-159). There is another, slightly differing view (Palmer 2010, 209) on the roles affecting the purchase decision. According to Palmer, the roles are the same, except instead of initiators there are gatekeepers, who filter out unrelated choices.

3.4 Customer relationship lifecycle

The customer relationship cycle is relevant as it goes hand in hand with the purchase decision process. The relationship between the PG-service provider and merchant begins before the decision process starts.

According to Cristian Grönroos (1990, 270), the customer relationship lifecycle consists of:

1. Initial phase
2. Purchasing phase
3. Usage phase.

In the *initial phase* the customer becomes aware of the company's service offering. At this point it may or may not satisfy the customer's/organisation's need. As the need clarifies, the service can be a feasible option. If this is the case, the relationship will move on to the *purchasing phase*. During the purchasing phase, the purchase decision process takes place. The customer evaluates the service offered in relation to its objectives and decides whether to select it from other feasible options. After the choice has been made the customer is in the *usage phase* of the relationship lifecycle. In this phase, the customer observes if the service received is fulfilling the expectations and, based on this, decides whether to continue using the service or not.

In the e-payment-and PG-services industry it is vital to get the attention of a potential customer and to become a 'top of mind' brand. By marketing the services in the initial phase it is possible to become one of the feasible options. For a small or medium sized enterprise the most important criteria in selecting an e-payment service provider are the number of payment methods, reliability of the service, and user friendliness (Mäkisalo 2013, 75). SPH's strengths are its reliability and user friendliness but, most importantly, its low costs.

3.5 B2B markets

Business markets tend to be geographically concentrated. The movie industry is located in Hollywood, international financing in London. However, this is not the case in electronic payment services. The markets are worldwide. The demand in the business markets is not affected by short-term price changes. This makes the demand inelastic. There is no comprehensive research yet about the fluctuation of demand in payment service markets to determine how fluctuating and price sensitive the markets are in reality. The markets are still surging (Kotler 2005).

3.6 Marketing tools in B2B context

In service marketing and in B2B marketing especially, one has to keep in mind that also the non-marketing departments affect the company's success. The parts of marketing that do not fit into the P's are in B2B most importantly the contacts. Every coder, salesman, and manager that is in contact with the customer is a marketing tool that represents the company. In addition, the facilities that the business operates in are also not defined in the traditional marketing mix. In order to succeed in service marketing, the marketing attitude must be implemented throughout the organisation.

As customer relationship marketing is the most important in the B2B field, companies benefit highly from CRM-software (customer relationship management). Such software helps businesses to keep track of their leads and customers in order to plan the next marketing activity for the certain customer. In B2B marketing the conventional marketing tools are also used. The main tools in B2B marketing by Bill Blaney (2013) are:

- Website content and design
- Search engine optimisation
- Email Marketing
- Tradeshow/ Exhibitions
- Seminars/ webinars
- Paid search
- Telemarketing
- Public relations
- Direct mail
- Social media
- Print advertising

As this thesis concentrates on the impact of whitepapers that can be categorized as part of website content, the impact of other marketing tools should also be studied in the PSP-industry. Telemarketing and search engine optimisation being the most used in the industry would be relevant subjects for future research.

4 METHODOLOGY

This section describes how the research was carried out. The methods of content analysis in this context are analysed.

4.1 Content analysis

Holsti (1969) defines content analysis as any technique for making inferences by objectively and systematically identifying specified characteristics of messages. Content analysis aims to analyze contents and structures from text by using different classifications. Content analysis is nowadays often seen as qualitative text analysis (Chi 1997). In this thesis, a combination of qualitative and quantitative text analysis methods is used. The text analysis aims to determine key words, phrases and themes that Europe's biggest PG-suppliers use in industry related whitepapers currently available online. These whitepapers generate the sample for this research. The aim of the content analysis was to find out what are the main themes in the industry related whitepapers, and to which extent whitepapers represent neutral expertise and to which extent the promotion of the company's own services.

In quantitative text analysis the material is analyzed by the number of times the expressions, themes and words occur in the text by following mainly the principles of statistical research. With quantitative methods being emphasised in this research, quantitative methods are used to analyse the weight of the argument and analyse techniques and style of persuasion in the text.

4.1.1 Words

The set of words searched from the texts is not predetermined, but is generated during the process. This research aims to find the words that are used to describe the service offered, such as “easy, user-friendly and secure”. Also the frequency of the publishing company’s name will be counted. By analysing the frequency of this type of words, it is possible to determine what kind of image the competitors aim to create to market their services. Word analysis helps to answers the first and second research questions.

4.1.2 Subjects and themes

The subjects and themes of the whitepapers can include problems and tips related to PGs, user guides, newly released improvements etc. Whether the text discusses the PG-industry in general or focuses on a certain service is also analysed. The themes of the papers are categorized into security related, industry development and guides. This analysis contributes to the answer for the second research question.

4.1.3 Dispositions

Analysing disposition is used to determine how marketing-oriented the text is. A scale of 1-5 will be used, 1 being an absolutely objective text, 3 being mildly advertising, and 5 being obviously advertising text. Each whitepaper included in the analysis will receive a grade from the scale. The grade will depend on whether the name of the publishing company or its services appear in the text, whether the text contains “calls to action”, price information or other advertisement-like content.

4.2 Whitepapers

Whitepapers are a mixture of a magazine article and a brochure to give the reader information about an issue, solving a problem and making a decision, while at the same time promoting products or services. Whitepapers aim to offer relevant information by the means of content marketing to people in decision making roles and to create an image that the company providing the whitepaper is a professional in the field of services the customer is looking to purchase (Stelzner 2007, 2).

4.3 Sampling

Whitepapers used in this research have to meet all of the following criteria.

1. The company publishing the whitepaper must be operating in the PG-industry.
2. The topic of the whitepaper must be related to the PG-industry.
3. The whitepaper must be downloadable without a fee.
4. The company and PG-service it offers must be European.
5. The whitepaper must be written in English.
6. The whitepaper was released in 2013 or later.

The material for the research was gathered from the websites and blogs of criteria matching companies. Usually the files were easily downloaded, but in some cases the publishing company will require at least an email-address and name in order to download. The whitepapers that were analysed in this research are listed in Table 1

Table 1. Sample whitepapers.

Company	Title	Author	Source
2Checkout	How credit card processing works	Thomas Kossler	2013 2checkout.com
Worldpay	Global online shopper report	Unknown	2014 worldpay.com
Worldpay	Do you have the right mobile commerce strategy?	Unknown	2014 Worldpay.com
Solinor Oy	Internet of things information security	Timo Tamminen	2014 Solinor.fi
Solinor Oy	PCI-DSS services sourcing guide	Timo Tamminen	2014 Solinor.fi
Innoplay, Payvision	Tackling internet payment security	Mark Baaijens, Nick Smaling, Yara van Hal	2014 Payvision.com
Payvision	How to reduce the complexity payment service providers face in a global e-commerce market	Unknown	2014 Payvision.com
Ingenico payment services (former ogone)	Online & mobile payments: New opportunities & threats	Unknown	2013 payment-services.ingenico.com
Chase paymentech	Is your customers' payment data really that safe?	Unknown	2014 chasepaymentech.co.uk
Chase Paymentech	Fraud prevention in m-commerce: Are you future proofed?	Unknown	2014 chasepaymentech.co.uk

4.4 Validity and reliability

The validity of this research refers to the issue of whether the indicators really measure the phenomena the thesis aims to research. The measurement methods used in this research provide valid information about the whitepapers. The methods in assessing the marketing orientation of the whitepapers have a subjective element. Assessing the marketing orientation with setting a value is somewhat vulnerable to subjectivity. A different researcher using the same scale can give different grades to the same whitepapers. However, this does not compromise the validity of the research since there are no generally acknowledged scales or methods to assess the marketing orientation of a text.

The reliability of the research designates the possibility to repeat the research and receive the same results. A comparable research dealing with whitepapers can be done when selecting the same sampling criteria. The results of content analysis might vary slightly due to the fact that whitepapers with different themes can be selected. However, the reasons and trends behind the results are the same. In addition the comparable research had to be done within a certain time span while the material is still available and the trends in the industry remain the same.

4.5 Telephone survey

The aim of the telephone survey was to study the role of whitepapers in the decision making process and to determine the key factors that affect the decision making process. Survey research is the most common method of primary data collection in business researches. It is a flexible and low cost method but sometimes presents the problem that the top management of a large company can be very difficult to reach (Kotler, Wong, Saunders, Armstrong 2005). A telephone survey was conducted to determine the effects of whitepaper marketing and the most important criteria in PSP selection. This survey is a direct survey research that asks the recipients direct questions about their purchasing behaviour. Altogether seven recipients were asked the following questions:

1. Did you read related whitepapers when selecting a PSP?
2. How much did the whitepaper(s) affect the decision?
3. What were the most important reasons that led to you selecting the PSP?
4. By what methods did you acquire information about the PSP's?

The companies that participated in the survey were:

- SLM Oy/Pizzaonline
- Smartia Oy
- Taloon.com
- VIPStore
- Merikartat.fi / John Nurminen Marine
- Suomen Moneta
- Poppamies Oy

The sample companies for the telephone survey were selected by using Fonecta B2B *kohdistamiskone* (targeting machine in English). The search criteria included companies with an annual turnover of 20-100 million euro and that operated in domestic e-commerce markets. From the search results only those companies a telephone number of a high level executive (CEO or CTO) with information about decisions related to PSPs was available were selected. The survey took place in January 2015.

5 RESULTS

This chapter analyses the results of the survey and content analysis and reflects on the role of whitepapers in the decision making process of selecting a PSP. The relevancy of the themes in the whitepapers will also be discussed. The details of the whitepaper analysis are presented in Appendix 1 (whitepaper analysis chart), and the results of the telephone survey in Appendix 2 (telephone survey chart).

5.1 PSP-selection criteria

A business that receives online payments needs a payment service provider. The business buyer decision process and customer relationship management theories describe the framework for the decision, but every customer has its own set of criteria for the service provider. All of the sample companies used domestic payment service providers. It is no surprise that the most common PSPs in the sample group were the largest operators in Finland, Paytrail and Nets.

The telephone survey clarified the criteria which large organisations have when selecting a payment services provider. For the majority of the companies the most important criterion in PSP-selection was a quality related-issue (Figure 6). The service had to be compliant with their existing systems, it had to be easily implemented, fast for the user, or it had to have certain functions or all of the functions the customer demanded. Only one respondent replied that price was the defining reason behind the decision. One respondent had selected a PSP based on its popularity. The fact that the service provider is popular gave the customer a sense of the PSP's trustworthiness.

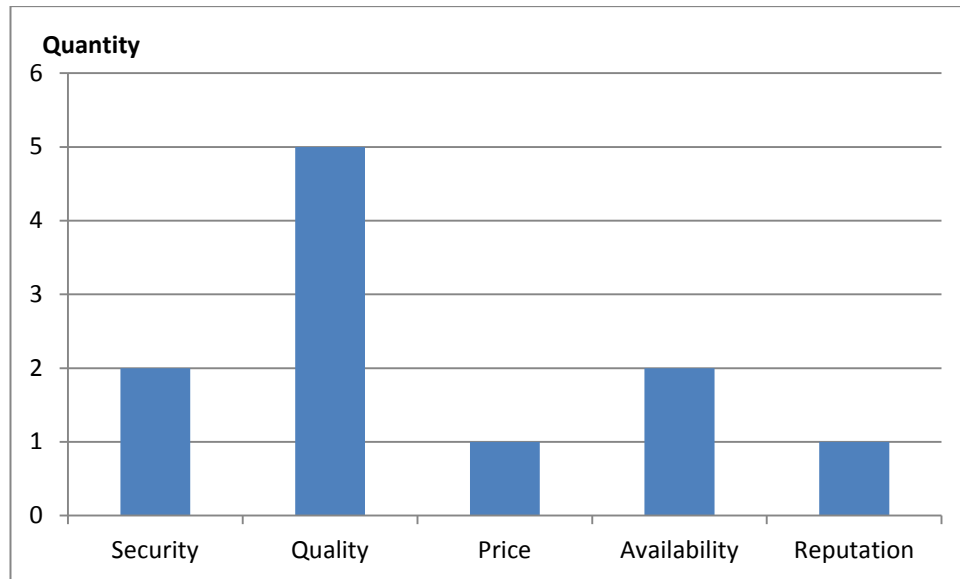


Figure 6. Criteria for selecting the PSP among case companies.

5.2 Content of the whitepapers

The whitepapers were analysed according to the principles of mixed qualitative and quantitative text analysis described in section 4.2. A total of ten whitepapers were analysed. The most common topics the whitepapers discussed were security issues related to the industry. Four whitepapers in total had a security theme. Three of the whitepapers were industry related guides to help the customer in defining a strategy or to tackle security related problems. Two whitepapers were reports about industry related researches, and the last one was an article about industry overview (Figure 7).

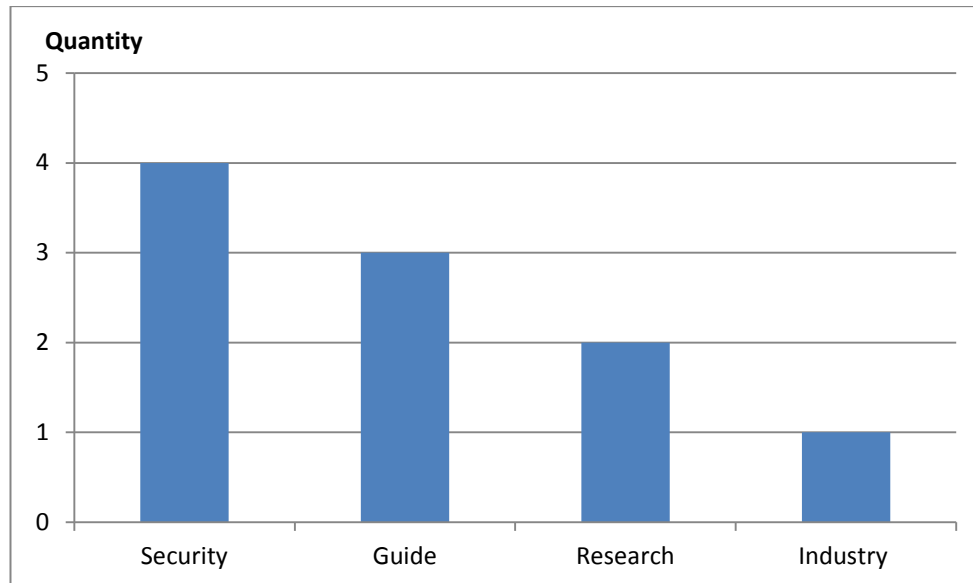


Figure 7. Themes of the whitepapers.

The most occurring keyword in whitepapers was “global”. The analysis of whitepapers resulted in multiple occurrences of this word. Two of the analysed whitepapers contained multiple times the words “leading” and “mobile”. The three words are now trending in the texts related to the PSP-industry. The rest of the keywords in Figure 8 occurred in only one of the whitepapers. They can still be considered as keywords that occur in the industry related texts.

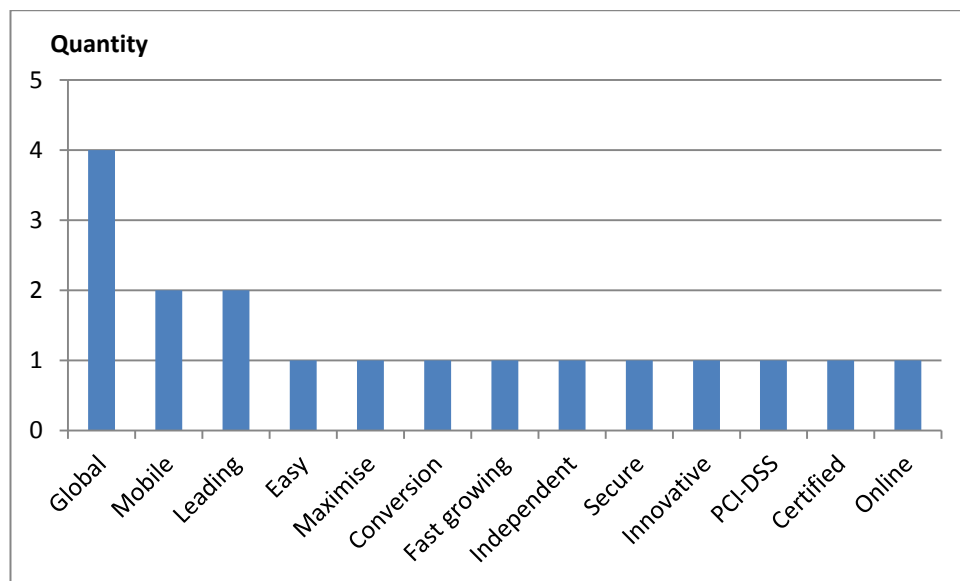


Figure 8. Most used keywords in the whitepapers.

5.3 Role of whitepapers in purchase decision making

The research shows that four out of seven recipients did not rely on whitepapers in the decision making process. However, more important than the number of companies that used whitepapers is the number that found them useful. The three recipients that had read whitepapers said that the whitepaper had more or less impact on the decision. One recipient replied that the whitepapers they had used during the decision process had a large impact on the decision. The remaining two admitted it had a little impact.

The role of the content of the whitepapers in the purchasing decision process is noteworthy. The recipient who said whitepapers had a large effect on the decision said also that the most important reasons behind the selection were price and security. It can be concluded that the security related whitepapers the recipient had read most certainly had a role in the decision making process.

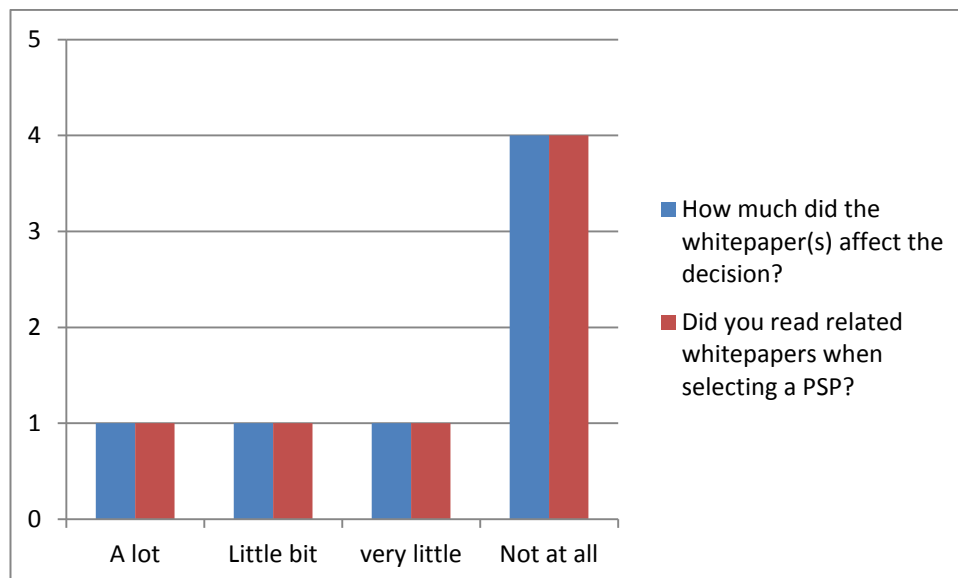


Figure 9. The importance of whitepapers in decision making.

Whitepapers may not be the most used or effective in comparison to other marketing tools, but they have their place in the marketing mix. The most common method of searching/receiving information about the PSPs was by direct contact. The majority of companies have been approached by the salespeople of the PSP. Relationship marketing

has clearly been successful in these cases. The customer has been contacted by, or has had a contact person from the PSP offering company. In these cases the role of whitepapers has not been significant. On the other hand the survey included recipients which had not been contacted by the service offering companies. In these cases the customers searched the internet for information and service offerings. All of these companies which were not approached by salespeople had read whitepapers and admitted them having a large or small role in the decision (Figure 9).

6 CONCLUSIONS

6.1 The importance of whitepapers in decision making process

The results in the telephone survey indicate that the whitepapers have no role in active marketing. Active marketing happens, when the customer has recognized the need, and has been identified by the PSP-company as a potential customer. However, the results provide support that the whitepapers are a significant part of passive marketing when the potential customer has not been identified. The PSP-company cannot identify all potential customers. The ‘hidden’ customers that salespeople have not contacted often search the companies’ websites and whitepapers for information and compare the service providers before contacting them. The whitepapers should, in addition to website optimisation, be targeted for the “hidden customers”. In order to maximise the value of the whitepaper, the content should be designed to promote the qualities of the services offered, since these are the most important factors in the decision making process. The research revealed that the recipients that were not contacted by marketers and salespeople do use the internet and whitepapers for information search. In these recipients’ decisions the whitepapers had a role.

6.2 Contents of whitepapers in relation to marketing

The whitepapers of Solinor aim to provide useful information for decision makers, influencers and purchasers in the information collection- and feasible options generation phases of the decision making process. The whitepapers by Solinor were the least marketing oriented in the sample group. The papers did not contain any logos of the company, or any marketing oriented text. They were objective and focused on the subject.

Most of the whitepapers discussed security related issues. When comparing the reasons that are most influential factors behind the PSP selection process and the themes of the whitepapers, it can be seen that it makes sense to write whitepapers about the security and quality of the services. A customer that is in the information search phase of the decision making process and has not been contacted by salespeople will most likely select the company that has the most proof of security and quality of its services. It is an extremely good way of telling the customer about the company's expertise in whitepapers available to download from the company website. In conclusion, the whitepapers have potential of convincing the customer about the security of service offered. The question still remains whether or not the whitepaper should be marketing oriented or objective, and which types of whitepapers promote sales the best.

6.3 Keyword analysis

Why is the word "global" the most common keyword in the analysed group of whitepapers? The reason can be that due to globalisation companies must start operating globally in order to survive. The current trend is that e-commerce has to be global cross-border commerce, thus needing a payment service operator able to receive payments internationally. In being able to process payments internationally and to be able to be implemented in different systems, the service provider has to invest in service and software quality. According to this research, quality was the most important criteria in service provider selection.

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Whitepaper analysis chart

Paper	Theme	Frequency of nam	Keywords	Marketing	Reasons behind the grade
ZCO	payment system transactions in retail and e-commerce	4	easy	4	The company and its services are only mentioned in the last section that is an "about" section. Also includes clear call to action.
how credit card processing works	How PSPs work		Maximise Conversion		Extensive use of company logos
	Introductory		Leading		
Payvision, Innopay	E-commerce growth and internet payment frauds	payvision 15 Innopay 15	Fast growing Independent	4	Suggests ways to improve security The text leads the reader from the problem to solution and to the company
tackling internet payment security	Security		Secure Innovative		
			Global		
Chase Paymentech	Security		6 Global	5	Direct reference to products/service offered by the publishing company
FRAUD PREVENTION			Leading		Service offering described as a part of the main text
IN M-COMMERCE:					
ARE YOU					
FUTURE PROOFED?					
Worldpay	A global research project explori	4		2	Company or its products/services are not introduced The paper deals with only the topic of research described in the paper Company logo is clearly displayed
Solnir	Security guide		0 PCI-DSS	1	Solnir's products or services are not mentioned or described. Company name is not mentioned in the actual text. Doesn't offer solnir services to the reader
PCI-DSS services sourcing guide			Provider Certified		
Payvision, Innopay	PSP strategy	payvision 5	Global	5	Describes what PSP's have to do in order to succeed and offers itself as a solution when describing the solution to problems, link to company website is given
How to reduce complexity		5 links Innopay 2			Basically lists problems its competitors have, and that payvision has overcome
payment service					
Chase Paymentech	Security		1 Secure	2	Clearly describes problems that the compan can solve but doesn't reference directly to itself or its products.
IS YOUR CUSTOMERS'			Global		Much less marketing than the other paper by same company
PAYMENT DATA					
REALLY THAT SAFE?					
Solnir	security		0	1	Solnir's products or services are not mentioned or described. Company name is not mentioned in the actual text. Doesn't offer solnir services to the reader
Internet of things information					There are no logos of the company in the whitepaper
Ogone	Industry overview				emphasizes the company's expertise and research over the described themes
Online & Mobile payments			4 Online	4	and problems
			Mobile		Speaks about its own customers
Worldpay	guide		1 Mobile	4	Promotes the idea of implementing mobile services and offers to be the company to make it happen
Do you have the right mobile commerce strategy?			Adapt	1st.	Chapter facts, then tips how to adapt and finally the solution

Telephone survey results

Question 1				
Company	PSP	Contact	Title	Did you read related whitepapers when selecting
SLM oy/ Pizza online	Luottokunta	Mik Nikkilä	CTO	Yes a lot
Smartia oy	Suomen maksuturva	Veli-Matti Mustakallio	Systems-specialist	No
Taloon.com	Nets/luottokunta	Kimmo Lähteenmäki	CEO	no
VIPstore	Payrail	Hannu Lampinen	CEO	yes a bit
Merikartat.fi/John Nurminen marine	Luottokunta	Karl-Johan Rosenström	CEO	No
Suomen Moneta	Nothing	Janne Häkkinen	Country manager	No
Poppamies	Paytrail	Marko Suksi	CEO	Yes a few

Question 2		How much did the whitepaper(s) affect the decision?	
Company	PSP		
SLM oy/ Pizza online	Luottokunta	A lot	
Smartia oy	Suomen maksuturva	Not at all	
Taloon.com	Nets/luottokunta	Not at all	
VIPstore	Payrail	Little bit	
Merikartat.fi/John Nurminen marine	Luottokunta	Not at all	
Moneta	Nothing	not at all	
Poppamies	Paytrail	very little	

Question 3		What were the most important reasons that led to you selecting the PSP?	
Company	PSP		
SLM oy/ Pizza online	Luottokunta	Price	Security
Smartia oy	Suomen maksuturva	the possibility to have transaction separation	Quality
Taloon.com	Nets/luottokunta	It was the only service provider at the time in Finland (2004)	
VIPstore	Payrail	Well known/ popularity	trustworthiness
Merikartat.fi/John Nurminen marine	Luottokunta	Fast for the customer	Provider was easy
Moneta	Nothing	Compability with existing systems	to approach
Poppamies	Paytrail	All in one package	

Question 4		By what methods did you acquire information about the PSP's?	
Company	PSP		
SLM oy/ Pizza online	Luottokunta	Web comparison	word of mouth
Smartia oy	Suomen maksuturva	Offer proposals	Websites
Taloon.com	Nets/luottokunta	Contanctig directly	
VIPstore	Payrail	Websites	
Merikartat.fi/John Nurminen marine	Luottokunta	Personal connection	
Moneta	Nothing	Diret contact and RFP	
Poppamies	Paytrail	Paytrail contacted directly	